

Message Text

LIMITED OFFICIAL USE

PAGE 01 BUDAPE 01244 01 OF 02 251010Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-10 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07
CEA-01 PA-01 AGRE-00 IO-13 AF-10 ARA-10 EA-10
NEA-10 ACDA-12 /152 W
-----129793 251019Z /23

R 241520Z MAR 78
FM AMEMBASSY BUDAPEST
TO SECSTATE WASHDC 1045
INFO AMEMBASSY BELGRADE
AMEMBASSY BERLIN
AMEMBASSY BUCHAREST
AMEMBASSY MOSCOW
AMEMBASSY PRAGUE
AMEMBASSY SOFIA
AMEMBASSY WARSAW
AMCONSUL MUNICH

LIMITED OFFICIAL USE SECTION 1 OF 2 BUDAPEST 1244

E.O. 11652: N/A
TAGS: CSCE EAGR PARM PGOV PINT HU US
SUBJECT: MEETING OF HSWP CENTRAL COMMITTEE

1. SUMMARY: ACCORDING TO COMMUNIQUE ISSUED UPON CONCLUSION OF HSWP
CENTRAL COMMITTEE (CC) MEETING MAR 15, THE CC CONSIDERED TWO
REPORTS:

-- THE INTERNATIONAL SITUATION, DELIVERED BY GYENES, WHICH
WAS MUNDANE EXCEPT, FROM OUR POINT OF VIEW, FAVORABLE REFER-
ENCE TO THE RETURN OF THE CROWN OF ST STEPHEN;
-- AGRICULTURE AND FOOD INDUSTRY, DELIVERED BY NEMETH,
WHICH REVIEWED CURRENT POLICY AND DEVELOPMENT TASKS.

2. FROM ALL APPEARANCES, THE PLENUM WAS A ROUTINE AFFAIR,
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BUDAPE 01244 01 OF 02 251010Z

BUT THE INDICATED AGRICULTURAL POLICY CONTAINED SOME POINTS
OF INTEREST OUTLINED BELOW. END SUMMARY.

3. THE HUNGARIAN PARTY CENTRAL COMMITTEE HELD ITS
REGULARLY SCHEDULED EXPANDED SPRING PLENUM MAR 15.
KADAR RESIDED. TWO REPORTS WERE PRESENTED AND
ADOPTED: ONE ON THE CURRENT INTERNATIONAL SITUATION,
WHICH WAS PRESENTED BY ANDRAS GYENES; THE SECOND ON

THE CURRENT STATE OF AGRICULTURE AND THE FOOD INDUSTRY
AND FUTURE AGRICULTURAL POLICY WHICH WAS PRESENTED
BY KAROLY NEMETH.

4. THE INTERNATIONAL SITUATION. GYENES' REPORT
ROUTINELY COVERED THE MAIN INTERNATIONAL EVENTS
WHICH HAVE OCCURRED SINCE THE FALL PLENUM. HE
BUDAPEST IDEOLOGICAL MEETING WAS SINGLED OUT FOR
SPECIAL ATTENTION, INCLUDING A REAFFIRMATION OF THE
VALUE OF DETENTE, ACCOMPANIED BY NECESSARY CONTINUA-
TION OF IDEOLOGICAL CONFRONTATION BETWEEN EAST AND
WEST. THE COMMUNIQUE CLAIMED THAT THE WEST IS
ATTEMPTING TO DISRUPT THE UNITY OF THE COMMUNIST
MOVEMENT BY INTRODUCING CONFLICT BETWEEN THE RULING
COMMUNIST PARTIES AND COMMUNIST PARTIES IN WESTERN
EUROPE. THE CC EXPRESSED ITS CONVICTION THAT ALL
FRATERNAL PARTIES ARE INTERESTED IN FRUSTRATING
THE WESTERN ATTEMPT TO INTRODUCE DISUNITY INTO THE
COMMUNIST MOVEMENT.

5. IN A RARE REFERENCE IN CENTRAL COMMITTEE COMMUNI-
QUES TO RELATIONS WITH THE UNITED STATES, THE CENTRAL
COMMITTEE NOTED ITS SATISFACTION IN THE POSITIVE STEP
TAKEN BY PRESIDENT CARTER TO RETURN THE HUNGARIAN
CROWN AND CORONATION REGALIA TO THE HUNGARIAN PEOPLE.
IT FURTHER NOTED ITS HOPE THAT TRADE RELATIONS WOULD
BE NORMALIZED.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BUDAPE 01244 01 OF 02 251010Z

6. THE CENTRAL COMMITTEE TERMED THE BELGRADE CSCE
MEETING AN IMPORTANT EVENT AND EMPHASIZED ITS INTEN-
TION O CONTINUE THE IMPLEMENTATION OF THE HELSINKI
FINAL ACT. OTHERWISE, THE COMMUNIQUE CONTAINED STAN-
DARD LANGUAGE ON THE CONFLICT BETWEEN VIETNAM AND
CAMBODIA (LABELING CAMBODIA THE AGGRESSOR FOR THE FIRST IME)
THE MIDDLE EAST, AFRICA, THE BUDAPEST YOUTH DISARMAMENT CONFERENCE,
THE WORLD DISARMAMENT CONFERENCE, AND THE UPCOMING SSOD.

7. AGRICULTURE: THE SECOND PART OF THE COMMUNIQUE WAS
A GENERAL AND WIDE-RANGING REVIEW OF THE AGRICULTURAL
SITUATION. THE COMMUNIQUE PRAISED THE ACHIEVEMENTS OF
THE PAST 20 YEARS, CITING IMPROVED GRAIN YIELDS, A
DOUBLING OF MEANT PRODUCTION, AND A TRIPLING OF POULTRY
PRODUCTION. PRODUCTION OF ROUGH FODDER, " CERTAIN INDUS-
TRIAL PLANTS AND VEGETABLES," AND SHEEP RAISING WERE
SINGELED OUT FOR NOT KEEPING PACE WITH REQUIREMENTS.
FOOD PROCESSING INCREASED TWO AND A HALF TIMES SINCE
1960, ALTHOUGH PRODUCE PURCHASING AND CONSTRUCTION OF
COOLING AND STORING FACILITIES LAGGED. IN GENERAL,
HUNGARY'S NATURAL RESOURCES ARE FAVROABLE FOR THE

FURTHER DEVELOPMENT OF AGRICULTURE TO SUPPLY MOST DOMESTIC REQUIREMENTS AND PERMIT INCREASED EXPORTS; "THE MOST IMPORTANT TASK IS TO INCREASE EFFICIENCY BY THE BETTER UTILIZATION OF INTELLECTUAL AND MATERIAL RESOURCES AND TO IMPROVE QUALITY."

8. THE COMMUNIQUE WENT ON TO SPEAK OF THE IMPORTANCE OF EACH OF THE THREE MAJOR TYPES OF PRODUCTION UNITS. STATE FARMS, WITH 13 PER CENT OF AGRICULTURAL LAND AND 18 PER CENT OF PRODUCTION, HAVE THE SIZE AND MATERIAL RESOURCES TO PLAY A LEADING ROLE IN DEVELOPMENT, WHILE COOPERATIVES PLAY THE "DECISIVE" ROLE IN AGRICULTURE. IT WAS NOTED FOR BOTH TYPES THAT MOST BUT NOT ALL FARMS ARE PERFORMING WELL; THE COMMUNIQUE NOTED WITH REGARD TO THE COOPERATIVES THAT "PERSONAL LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 BUDAPE 01244 01 OF 02 251010Z

INCOMES SHOULD DEPEND TO A GREATER EXTENT ON THE SUCCESS OF COOPERATIVE FARMING." IT WAS NOTED THAT HOUSEHOLD AND SUBSIDIARY PLOTS PRODUCE HALF THE TOTAL OF PORK AND ARE IMPORTANT IN POULTRY AND SMALL ANIMAL RAISING AS WELL AS IN PRODUCTION OF FRUITS AND VEGETABLES. "THE PARTY DEFINITELY SUPPORTS FARMING ON THE HOUSEHOLD PLOTS AND TAKES A STAND AGAINST ITS

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 BUDAPE 01244 02 OF 02 250924Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-10 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 AGRE-00 NSC-05 SS-15
STR-07 CEA-01 PA-01 IO-13 AF-10 ARA-10 EA-10
NEA-10 ACDA-12 /152 W
-----129482 251018Z /23

R 241520Z MAR 78
FM AMEMBASSY BUDAPEST
TO SECSTATE WASHDC 1046
INFO AMEMBASSY BELGRADE
AMEMBASSY BERLIN
AMEMBASSY BUCHAREST

AMEMBASSY MOSCOW
AMEMBASSY PRAGUE
AMEMBASSY SOFIA
AMEMBASSY WARSAW
AMCONSUL MUNICH

LIMITED OFFICIAL USE SECTION 2 OF 2 BUDAPEST 1244

UNDERESTIMATION AND THE MISTAKEN PRACTICES WHICH
OCCASIONALLY TAKE PLACE WHICH WEAKEN THE SECURITY
OF PRODUCTION."

9. THE COMMUNIQUE EMPHASIZED THE IMPORTANCE OF
DEVELOPING INDUSTRY RELATED TO AGRICULTURE -- BOTH
FOOD PROCESSING INDUSTRIES AND PRODUCTION OF INPUTS
SUCH AS FERTILIZER AND FARM MACHINERY. MEAT AND
POULTRY PROCESSING, VEGETABLE OIL PRODUCTION, AND
FOOD PRESERVATION ARE SIGLED OUT AS AREAS FOR
DEVELOPMENT.

10. FINALLY, THE COMMUNIQUE NOTED THAT THE AREA OF
ARABLE LAND HAS DECREASED SOME 400,000 HECTARES IN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BUDAPE 01244 02 OF 02 250924Z

15 YEARS, AND CALLS FOR THE PROTECTION OF ARABLE LAND,
BOTH BY RESTRICTING UTILIZATION OF LAND FOR OTHER
PURPOSES AND BY IMPROVING MARGINAL LAND.

11. COMMENT: THE PORTION OF THE COMMUNIQUE DEVOTED
TO AGRICULTURE IS THE MORE INTERESTING OF THE TWO
REPORTS. IT IS FORTHRIGHT IN NOTING DEFICIENCIES
WHICH EXIST AND MORE IMPORTANTLY INDICATES THE POLI-
CIES WHICH WILL BE ADOPTED TO CORRECT THEM. IN THIS
CONNECTION IT IS NOTEWORTHY THAT THE COMMUNIQUE
SPECIFICALLY ENDORSES A CLOSER MARRIAGE BETWEEN FOOD
PROCESSING AND AGRICULTURE. IN THE ANTI-REFORM
SPIRIT OF THE MID-1970'S AGRICULTURAL COOPERATIVES
WERE FORBIDDEN TO ENGAGE IN INDUSTRIALIZATION PROJECTS.
THIS WAS A REACTION AGAINST THE COOPERATIVES MOVING
RAPIDLY INTO THIS FIELD WHEN THEY WERE GIVEN PERMIS-
SION TO DO SO IN THE REFORM OF 1968. IT IS POSSIBLE
THAT THE LIMITATIONS ON THE COOPERATIVES WILL BE
LIFTED SOMEWHAT AGAIN, THEREBY ALLOWING REIMPLEMEN-
TATION OF SOME OF THE REFORM MEASURES. THE CC ALSO
SPECIFICALLY ENDORSED THE CRITICAL ROLE HOUSEHOLD
PLOTS PLAY IN SATISFYING THE FOOD NEEDS OF THE PEOPLE.
HIGHLIGHTING CERTAIN AREAS OF CURRENT CONCERN, SUCH
AS DIVERSION OF ARABLE LAND, WEAKNESSES OF FARM
MACHINERY, AND CHEMICAL PRODUCTION, SHOWED THAT THE

PARTY IS COMMITTED TO IMPROVING FURTHER A SECTOR OF
THE ECONOMY WHICH IS PERFORMING FAIRLY WELL ALREADY.
THE CRUCIAL ROLE AGRICULTURAL EXPORTS PLAY IN HUNGARY'S
HARD CURRENCY FOREIGN EXCHANGE EARNINGS IS NOT AN
UNRELATED FACTOR.

12. A COMPARISON OF GYENES' REPORT WITH THE COMMUNI-
QUE ISSUED FOLLOWING THE BUDAPEST IDEOLOGICAL CONFER-
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 BUDAPE 01244 02 OF 02 250924Z

ENCE REVEALS THOSE AREAS IN WHICH INTER-PARTY AGREE-
MENT WAS NOT POSSIBLE (LABELING CAMBODIA AS THE
AGGRESSOR IN ITS CONFLICT WITH VIETNAM, FOR EXAMPLE).
KAISER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMUNITY RELATIONS, AGRICULTURAL PRODUCTION, INDUSTRIAL DEVELOPMENT, COMMUNIQUES, CENTRAL COMMITTEE
Control Number: n/a
Copy: SINGLE
Draft Date: 24 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978BUDAPE01244
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780131-1221
Format: TEL
From: BUDAPEST
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780329/aaaaayda.tel
Line Count: 242
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: eef837be-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3214502
Secure: OPEN
Status: NATIVE
Subject: MEETING OF HSWP CENTRAL COMMITTEE
TAGS: EAGR, PARM, PGOV, PINT, HU, US, CSCE
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/eef837be-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014